OVERVIEW OF OUR FY 2009 GOALS AND RESULTS

SUMMARY OF FY 2009 PERFORMANCE

The *Government Performance and Results Act of 1993* requires all federal agencies to issue:

- A 5-year *Agency Strategic Plan* that includes a mission statement and outlines long-term goals and objectives. We issued our most recent *Agency Strategic Plan for 2008-2013* on September 24, 2008 (http://www.socialsecurity.gov/asp/).
- An *Annual Performance Plan* which provides annual performance commitments toward achieving the goals and objectives presented in the *Agency Strategic Plan*; and
- An *Annual Performance Report*, which is included in this *Performance and Accountability Report*, that evaluates the agency's progress toward achieving those performance commitments.

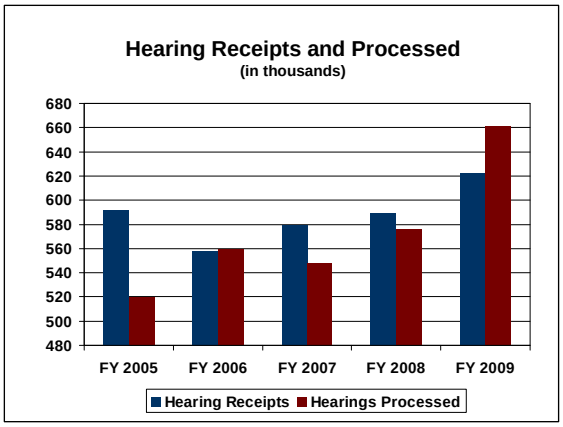
We are committed to providing superior service to the American public despite increased workloads and constrained resources. In FY 2009, we made considerable progress to improve our services across the agency. We met our targeted goal for 21 of our 22 FY 2009 performance measures for which end-of-year data are available. Data for three of our remaining performance measures will not be available until later in FY 2010. We will report our performance on these three measures in the *FY 2010 Performance and Accountability Report*.

Our *Agency Strategic Plan*, on which this performance report is based, focused on the following four strategic goals:

Strategic Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence

Results: Met the target for 6 of 6 measures

The elimination of the hearings backlog remains the agency's top priority, and we are on track to reach the optimal level (466,000) of pending hearings by FY 2013. This year we turned the corner on the hearings backlog and reduced both the number of hearings pending as well as the average time to receive a hearing decision. With the support of Congress, and with the additional funding we received in FY 2009, we hired 147 administrative law judges and 850 support staff for our hearing offices, and opened three new National Hearing Centers (Albuquerque, New Mexico; Chicago, Illinois; and Baltimore, Maryland) to help process workloads for hearing offices with the highest number of cases pending. We also established aggressive plans to open 14 new hearing offices and three new satellite offices in FY 2010. By the end of FY 2009, we processed 85,000 more hearings than in FY 2008, a 15-percent increase. Our average processing time was 491 days at the end of the fiscal year, compared to 514 days in FY 2008. We continued to work down our oldest cases so that we could provide a hearing decision to individuals who have waited the longest. In FY 2008, we virtually eliminated all hearing cases pending at least 900 days by the end of that fiscal year.



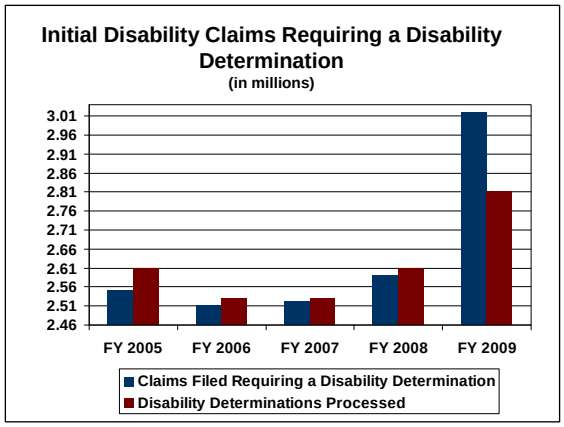
For FY 2009, we raised the bar and set a goal to eliminate 166,838 hearing cases pending at least 850 days by the end of the fiscal year. We met this goal and for FY 2010, we will focus on eliminating cases over 825 days old.

In addition to adding new staff and resources in our hearing offices, we continued to make the hearing process more efficient. For example, we expanded the Senior Attorney Adjudicator program, in which our most experienced attorneys are authorized to issue fully favorable decisions in certain cases without the need to conduct an actual hearing. These decisions, referred to as "on-the-record" decisions, bring eligible individuals onto the disability rolls more quickly than if they had to wait for a hearing. We also continued to expand the availability and use of video hearings for the convenience of individuals who have filed a request for a hearing. Video hearings save time and money for all parties by minimizing travel to hearing sites. In FY 2009, we conducted 86,320 video hearings, an increase of about 55 percent from FY 2008. In addition, we developed a standardized electronic business process that incorporates the most efficient and effective methods for electronic case processing. In FY 2009, we rolled out and provided training on the electronic business process in 30 hearing offices. We plan to continue the roll out to all hearing offices in FY 2010.

Strategic Goal 2: Improve the Speed and Quality of Our Disability Process

Results: Met the target for 5 of 5 performance measures

In FY 2009, we received more than 3 million initial disability claims, over 431,000 more than we received in FY 2008. In FY 2010, we expect this number to peak at over 3.3 million disability claims. Higher receipts will contribute to an increase in claims pending. At the end of FY 2009, we had 40 percent more initial disability claims pending (779,854) than at the end of FY 2008 (556,670). This rapid rise in the pending level, which we expect to exceed 1 million in FY 2010, is unacceptable. We are committed to returning, by FY 2013, to our pre-economic downturn pending level of 525,000 claims.



It will require adequate resources and hard work from all employees to achieve this goal. In FY 2009, we developed a multi-year strategy to address the growth in our initial disability claims workload and the corresponding increase in pending work in the state and territorial Disability Determination Services to help us process these claims. Our strategy includes additional hiring and overtime in the Disability Determination Services, as well as policy simplifications that will optimize productivity. We began implementing this strategy by maximizing our hiring efforts in FY 2009, which included approximately 2,600 Disability Determination Services employees. These additional hires helped us to process over 200,000 more disability claims compared to FY 2008.

In addition to hiring more employees and processing more claims, we also expedited disability decisions for the most severely disabled individuals. This year, through our fast-track processes, *Quick Disability Determination* and *Compassionate Allowances*, we approved benefits for over 90,000 Americans with severe disabilities in a matter of days. As a result of improvements to our computer modeling system, we achieved our FY 2009 target of identifying 3.8 percent of initial disability claims for our fast-tracking processes. Also, in FY 2009, we conducted two *Compassionate Allowance* outreach hearings on the topics of brain injuries and stroke, and early-onset Alzheimer's disease and related dementias. We are gaining valuable information from these hearings that will allow us to include more diseases and impairments to the *Compassionate Allowances* list.

Furthermore, we are continuing to improve our *Ticket to Work* program. Under this program, we issue *Tickets* to eligible disabled individuals who, in turn, may choose to assign their *Tickets* to an Employment Network to obtain employment services, vocational rehabilitation services, or other support services. In 2008, we implemented new regulations revising the *Ticket to Work* program to provide more incentives and to increase participation.

Ticket assignments are up almost 160 percent over the same period a year ago. As of July 2009, nearly 1 year after the new regulation became effective, almost 270,000 individuals with *Tickets* have either assigned their *Tickets* to an Employment Network or are receiving services from a vocational rehabilitation agency.

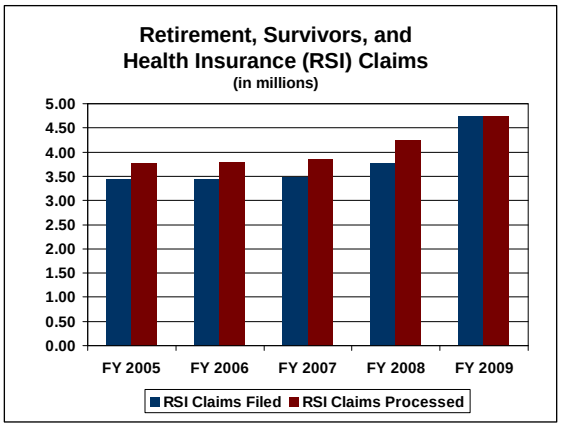
Finally, we continued to look for ways we can provide better service to a very important group of Americans who risk their lives for us everyday – members of the military. Through national and local efforts at major medical facilities, we have increased outreach to help wounded warriors learn about and apply for disability benefits under Social Security. As a result, more wounded warriors are applying for benefits, and we are expediting their claims.

Strategic Goal 3: Improve Our Retiree and Other Core Services

Results: Met the target for 4 of 6 performance measures (data unavailable for one measure)

With the additional funding provided by Congress, we added approximately 1,400 additional employees in our field offices, card centers, and processing centers, including about 260 additional employees in our National 800 Number teleservice centers. In addition, we hired 950 employees to replace those who retired or left the agency. We are pleased to report that our National 800 Number service improved. Wait times currently average 245 seconds, down from 326 seconds in FY 2008, and the average busy rate is 8 percent, down from 10 percent last fiscal year. We continued to use new technologies that helped us forecast call volumes, anticipate staffing needs, and better distribute incoming calls across the network. These technologies allowed us to answer calls and connect callers who wished to speak to an agent as quickly as possible, such as offering speech recognition that allows callers to speak their request into an interactive voice-prompt system, thereby reducing the time callers spend navigating through menu prompts and touch-tone commands.

To meet the needs of baby boomers, we continued developing a wide range of online and automated services. In December 2008, we launched our new improved online retirement application, the *iClaim*, and it has generated tremendous interest from the public. The *iClaim* won awards from a variety of outside entities and has been instrumental in helping us keep up with an increase of more than 500,000 retirement, survivor, and Medicare claims in FY 2009 compared to FY 2008. We received our two millionth online retirement application in early June due, in large part, to our outreach efforts and new, quick, and easy-to-use *iClaim*. This achievement is especially noteworthy since it took us more than 7 years to receive the first million online retirement applications. We continue to improve and add to our Internet services; for example, our *Retirement Estimator* will be available in Spanish. We believe our online services are not only essential to how we do business, but also provide another option for service for all Americans.



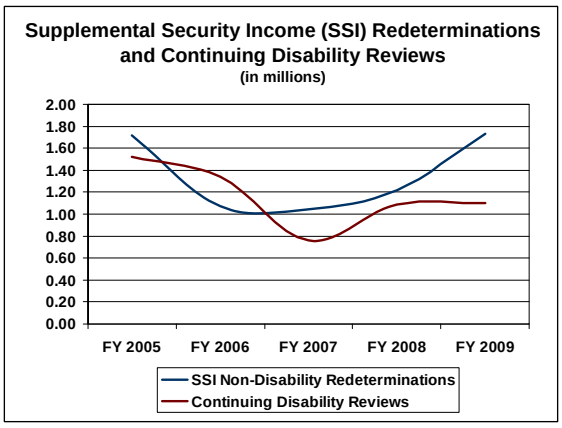
Finally, we made significant progress with our second data support center, which is intended to back up our primary data center in the event of a disaster. Since we took possession of the building in January 2009, we are ahead of schedule in integrating this center into our infrastructure and business processes. Two data centers are vital to the security of the data we keep on nearly every American, and the additional center expanded our capacity to more efficiently function in an electronic business environment.

Strategic Goal 4: Preserve the Public's Trust in Our Programs

Results: Met the target for 6 of 8 performance measures (data unavailable for two measures)

We are committed to sound management practices and take pride in our ability to protect and carefully manage the resources, assets, and programs entrusted to us. In FY 2009, two of our most effective and successful stewardship tools continued to be SSI non-disability redeterminations and medical continuing disability reviews.

Both ensure that individuals receiving benefits remain entitled to them and verify that payments made are in the correct amount. Moreover, continuing disability reviews produced approximately $10 in program savings for every $1 spent to conduct the reviews. SSI redeterminations saved approximately $7 for every $1 spent. Unfortunately, we scaled back the number of redeterminations and continuing disability reviews conducted in recent years due to budget constraints and increases in our other critical workloads. However, with additional funding received in FYs 2008 and 2009, we increased our program integrity efforts. In FY 2009, we processed over 1,730,000 SSI redeterminations and over 1,101,000 continuing disability reviews.



In addition to our program stewardship, we take pride in our ability to protect and manage the other resources and assets entrusted to us. For example, we maintained our commitment to sound environmental practices. The Social Security Administration has been environmentally responsible for many years. All of our computers are silver-rated or better using the Electronic Equipment Product Environmental Assessment Tool. We donated, sold, or recycled all of the agency's obsolete electronic equipment. We continued to reduce our carbon footprint by using environmentally sensitive practices as we conducted major renovations or upgrades to agency-owned or leased buildings. In FY 2009, our Southeastern Payment Center in Birmingham, Alabama competed with 224 other regional winners for the national McGraw-Hill Construction *Best of the Best Award*. The Southeastern Payment Center's "green" design helped us win the *Best of the Best Award* in the government category. The award recognizes construction and design excellence in addition to workmanship and contribution to the community. Additional information on the award can be found at *Engineering News-Record's* website, http://enr.construction.com/toplists/best_of_awards/2009/0302-BestoftheBest-2.ASP. In addition, we continued to reduce energy use in our facilities by contracting for renewable energy projects and energy audits.

In FY 2009, we also established an Environmental Workgroup to meet the goals of *Executive Order 13423*, "*Strengthening Federal Environmental, Energy, and Transportation Management*." This workgroup has been instrumental in developing and formalizing our commitment to a sustainable environment. To date, we have authored an *Electronics Stewardship Plan* and started development of a *Green Purchasing Plan*, a *Sustainable Building Plan*, and an *Environmental Management System*.

Our Responsibilities under the *American Recovery and Reinvestment Act of 2009*

President Obama signed the *American Recovery and Reinvestment Act (Recovery Act)* into law on February 17, 2009. It was an unprecedented effort to jumpstart our economy, create or save millions of jobs, and began addressing long-neglected challenges so our country can thrive in the 21st century.

We received over $1 billion in funding under the *Recovery Act*. This funding included $500 million to tackle our retirement and disability workloads; $90 million to administer $250 economic recovery payments; and $500 million to construct and partially equip a new data center to replace our aging National Computer Center. These substantial investments are helping us address the dramatically increasing service demands caused by the combination of a weakened economy and increased retirement and disability applications. Because of the uniqueness of this supplemental funding, we describe below our FY 2009 progress in meeting our *Recovery Act* responsibilities:

- **$500 Million to Tackle our Retirement and Disability Workloads**: We used a significant portion of this funding to hire and train over 2,400 employees in our field offices, card centers, processing centers, hearing offices, and Disability Determination Services, and to provide additional overtime to process critical workloads. With our FY 2009 appropriation and the *Recovery Act* funding, we processed over 500,000 more retirement claims, 200,000 more disability claims, and more than 85,000 hearings this fiscal year than in FY 2008. Also, as a Federal Government leader in Health Information Technology, we have taken the first steps to contract

with healthcare providers and networks that will provide us with electronic health records that will improve the speed and accuracy of our disability determination process.

- **$90 Million to Administer Economic Recovery Payment:** We played a critical role in issuing the $250 economic recovery payments to almost 53 million eligible individuals receiving Social Security benefits and SSI payments. These economic recovery payments injected more than $13 billion into the economy. We facilitated the issuance of these payments in record time, quickly getting them into the hands of the people who needed them the most.

- **$500 Million to Construct and Partially Equip a New Data Center to Replace Our Aging National Computer Center**: Our National Computer Center houses critical computer operations essential to prompt and accurate payment of benefits and stores data necessary to provide service to all Americans. Because the National Computer Center is over 30 years old, it will soon be incapable of supporting the growing demands of our business processes. In FY 2009, we began planning for a new facility that will be built and operational when our current National Computer Center is near the end of its functional life. We worked closely with the General Services Administration on all aspects of pre-planning. This included establishing criteria for the new data center; starting the process to select a site; developing a detailed construction timeline; and beginning to create a comprehensive program of requirements for the new facility.

- **We report weekly on the status of *Recovery Act* implementation by program, including major actions taken to date and major actions planned for the future.** We developed an overall agency-level plan and three program-specific plans for use of *Recovery Act* funds. Our *Recovery Act* website is located at http://www.socialsecurity.gov/recovery/**.**

This *Performance and Accountability Report* details how the funding that Congress provided is making a difference to Americans all across the nation. Our performance in FY 2009 demonstrated that we are a sound investment. On the following pages, we provide our FY 2009 performance results.

Figure 3: Postmen in New York City starting out in November 1936 to distribute more than 3,000,000 applications for Social Security numbers.

PERFORMANCE SUMMARY OF GOALS AND RESULTS

The following tables provide a brief overview of our performance in all 25 FY 2009 performance measures using the following key. We listed the measures based on the goals and objectives they support in our *Strategic Plan for Fiscal Years 2008 – 2013* and our *Annual Performance Plan for Fiscal Year 2010 and Revised Final Plan for FY 2009.*

Key	
Target met or exceeded	↑
Target not met	↓
To be determined-final FY 2009 data not available	TBD
PPM- Denotes each of the Agency's *Government Performance and Results Act* performance measures which were also Program Performance Measures. See page 71 for more information on Program Performance Measures (PPM).	

Strategic Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence					
Strategic Objective 1.1: Increase our capacity to hear and decide cases					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
1.1a	Process the budgeted number of hearings	647,000	660,842	↑	47
Strategic Objective 1.2: Improve our workload management practices throughout the hearing process					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
1.2a	Achieve the target for number of hearings pending	755,000	722,822	↑	48
1.2b	Achieve the target to eliminate the oldest hearings pending	Less than 1% of hearings pending 850 days or older	228 of 166,838 cases remained pending (.14%)	↑	49
1.2c PPM	Achieve the budgeted goal for average processing time in days for hearings	516 days	491 days	↑	50

Strategic Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence					
Strategic Objective 1.2: Improve our workload management practices throughout the hearing process					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
1.2d	Achieve the target to eliminate the oldest Appeals Council cases pending	Less than 1% of Appeals Council cases pending 750 days	10 of 12,184 cases remained pending (.08%)	↑	51
1.2e	Achieve the target for average processing time of Appeals Council decisions	265 days	261 days	↑	51

Strategic Goal 2: Improve the Speed and Quality of Our Disability Process					
Strategic Objective 2.1: Fast-track cases that obviously meet our disability standards					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
2.1a	Achieve the target percentage of initial disability claims identified as a Quick Disability Determination or a *Compassionate Allowance*	3.8%	3.8%	↑	52
2.1b	Process the budgeted number of initial disability claims	2,637,000	2,812,918	↑	53
2.1c PPM	Minimize average processing time in days for initial disability claims to provide timely decisions	129 days	101 days	↑	54
Strategic Objective 2.2: Make it easier and faster to file for disability benefits online					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
2.2a	Achieve the target percentage of initial disability claims filed online	18%	21%	↑	55
Strategic Objective 2.3: Regularly update our disability policies and procedures					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
2.3a	Update the medical *Listings of Impairments*	Develop and submit at least 3 regulatory actions or *Social Security Rulings*	Completed	↑	56

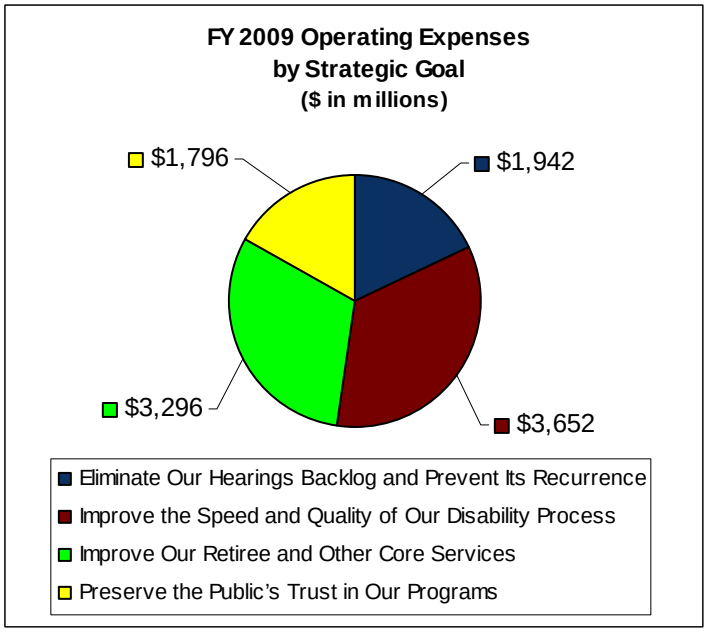
Strategic Goal 3: Improve Our Retiree and Other Core Services					
Strategic Objective 3.1: Dramatically increase baby boomers' use of our online retirement services					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
3.1a PPM	Percent of Retirement and Survivors claims receipts processed up to the budgeted level	100% (4,543,000)	104% (4,742,218)	↑	56
3.1b	Achieve the target percentage of retirement claims filed online	26%	32%	↑	57
Strategic Objective 3.3: Improve our telephone service					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
3.3a	Achieve the target speed in answering National 800 Number calls	330 seconds	245 seconds	↑	58
3.3b	Achieve the target busy rate for National 800 Number calls	10%	8%	↑	59
Strategic Objective 3.4: Improve service for individuals who visit our field offices					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
3.4a PPM	Percent of individuals who do business with SSA rating the overall services as "excellent," "very good," or "good"	83%	81%	↓	60
Strategic Objective 3.5: Process our Social Security number workload more effectively and efficiently					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
3.5a	Achieve the target percentage for assigning original Social Security numbers correctly	95%	Data available May 2010	TBD	61

Strategic Goal 4: Preserve the Public's Trust in Our Programs					
Strategic Objective 4.1: Curb improper payments					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
4.1a	Process the budgeted number of Supplemental Security Income non-disability redeterminations	1,711,000	1,730,575	↑	63
4.1b	Process the budgeted number of continuing disability reviews	1,079,000	1,101,983	↑	64
4.1c PPM	Percent of Supplemental Security Income payments free of overpayment (O/P) and underpayment (U/P) error	96.0% (O/P) 98.8% (U/P)	Data available June 2010	TBD	65
4.1d PPM	Percent of Old-Age, Survivors, and Disability Insurance payments free of overpayment (O/P) and underpayment (U/P) error	99.8% (O/P) 99.8% (U/P)	Data available June 2010	TBD	66
Strategic Objective 4.3: Maintain accurate earnings records					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
4.3a	Achieve the target percentage of paper Forms W-2 received	17%	16%	↑	68
Strategic Objective 4.5: Protect our programs from waste, fraud, and abuse					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
4.5a	Receive an unqualified audit opinion on SSA's financial statements	Receive an unqualified opinion	Received an unqualified opinion	↑	69
Strategic Objective 4.6: Use "green" solutions to improve our environment					
Performance Indicator		**FY 2009 Target**	**FY 2009 Actual**	**Target Achieved?**	**See Page #**
4.6a	Replace gasoline-powered vehicles with alternative-fuel vehicles	20	26	↑	69
4.6b	Develop and implement an agency Environmental Management System	Develop a high-level project plan	Completed	↑	70

HOW WE INTEGRATE OUR PERFORMANCE AND BUDGET

The *Government Performance and Results Act* requires agencies to prepare *Annual Performance Plans* outlining their current year tactical plans for achieving the goals and objectives outlined in their *Strategic Plan*. We submit our integrated budget and *Annual Performance Plan* to demonstrate the connection between requested funding and planned performance. This process is referred to as performance budgeting. The President's FY 2010 budget request, that included our *Annual Performance Plan for Fiscal Year 2010 and Revised Final Performance Plan for Fiscal Year 2009*, is available at http://www.socialsecurity.gov/budget/FY10BudgetOverview.pdf.

To round out the recurring cycle of performance budgeting, agencies are required to report, at the close of the fiscal year, their actual performance in comparison to their planned and budgeted performance outcomes. Additionally, agencies are to report their progress toward achieving the goals outlined in their *Strategic Plan*. This document, the *Performance and Accountability Report for Fiscal Year 2009*, compares our FY 2009 performance with our planned and budgeted performance outcomes. Furthermore, it explains our efforts, included our ongoing and planned initiatives, to achieve the four goals outlined in our *Strategic Plan*. The chart below shows our FY 2009 operating expenses allocated by strategic goal.



HOW WE ENSURE DATA QUALITY

We are committed to providing clear, reliable data for managerial decision-making and oversight. We strive to ensure that our data is quantifiable and verifiable. We have internal controls in place to provide reasonable assurance that these objectives are met. These controls include ongoing data quality reviews, as well as audit trails, reviews at all levels of management, restricted access to sensitive data, and separation of job responsibilities. Our controls assure that data in this report contain no material inadequacies and support the Commissioner's *FederalManagers' Financial Integrity Act* Assurance Statement. Refer to the *Systems and Controls* section on page 41 for more information about the *Federal Managers' Financial Integrity Act.*

Social Security Data Integrity Systems and Controls

We generate data for quantifiable performance measures using automated management information and workload measurement systems. The data for several accuracy and public satisfaction measures come from surveys and workload samples designed to achieve confidence levels of 95 percent or higher. We also perform stewardship reviews on the accuracy of Old-Age, Survivors, and Disability Insurance and SSI payments. These reviews are the primary measure of quality for agency performance and provide an overall payment accuracy rate. We derive each review from a sample of records of individuals currently receiving monthly Social Security benefits or SSI payments. For each sampled record, we interview the individual or the authorized representative, contact others as needed, and redevelop all non-medical factors of eligibility.

Furthermore, we use an evaluation process known as *Transaction Accuracy Reviews* to provide quality feedback on recently processed Old-Age, Survivors, and Disability Insurance and SSI applications, as well as SSI redeterminations. In FY 2009, we selected 17,300 cases (8,800 Old-Age, Survivors, and Disability Insurance cases and 8,500 SSI cases) for a *Transaction Accuracy Review*. These reviews focused on our processing procedures, and the results of these reviews provided national and regional data on the quality of the application process. In addition, we conducted field assistance visits to identify areas where we could improve our work processes. In an effort to improve accuracy and efficiency, we analyzed the data to determine the causes for deficiencies and issued mid-year and annual reports of our findings. These reports provided timely feedback to our employees and included recommendations on how to prevent errors in the future.

Audit of Our FY 2009 Financial Statements

The *Chief Financial Officers Act of 1990* requires our Office of the Inspector General, or an independent external auditor that it selects, to audit our financial statements. The Office of the Inspector General conducted the FY 2009 audit with limited assistance from an independent external auditor. The audit concluded our financial statements present fairly, in all material respects, the financial position of the Social Security Administration. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We provide the Office of the Inspector General's audit report in the *Auditor's Reports* section beginning on page 145.

Role of our Office of the Inspector General

Our Office of the Inspector General has a key role in auditing performance measure data systems to verify the validity and reliability of performance, budgeting, and financial data. The Office of the Inspector General did not initiate any performance measure audits in FY 2009. However, these audits will resume in FY 2010.

The objectives of such audits are to:

- Assess and test our internal controls of the development and reporting of performance data for selected annual performance measures;
- Assess and test the application controls related to the performance measures;
- Assess the overall reliability of the performance measures' computer processed data;
- Test the accuracy of results presented and disclosed in the *Performance and Accountability Report*;
- Assess the meaningfulness of the performance measures; and
- Report the results of the testing to Congress and agency management.